E-ISSN 2281-4612
ISSN 2281-3993

Academic Journal of Interdisciplinary Studies
www.richtmann.org

Vol 13 No 4
July 2024

Research Article

Received: 7 April 2024 / Accepted: 2 July 2024 / Published: 5 July 2024

Family-Owned Small and Medium-Sized Businesses in Kuwait: A Pilot Study on Succession Dynamics

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DOI: https://doi.org/10.36941/ajis-2024-0146

Abstract

This research paper investigates the dynamics of SME family-owned businesses within the Kuwaiti context and explores their impact on succession and continuity. With limited localized research in this area, this study aims to fill this gap by analyzing the influence of family dynamics, social norms, and emotional ownership on the sustainable development of family businesses in Kuwait. By employing a quantitative approach, a pilot investigation was conducted to gather data on various SME family-owned enterprises. Pilot research was conducted with 41 participants from various family-owned businesses in Kuwait to assess the validity and reliability of the measurement tools. The research findings offer a comprehensive insight into the operations and dynamics of family-owned enterprises in Kuwait. The descriptive analysis uncovered important demographic patterns among participants, indicating an equal distribution of genders and a notable presence of adults aged 21 to 35. This indicates the presence of a youthful and energetic group of employees engaged in family-owned businesses. A reliability analysis was conducted to ensure the dependability of the measuring instruments employed in the investigation. The results, as determined by Cronbach's alpha coefficients, demonstrated satisfactory reliability for most variables. The study employed a linear analysis using ANOVA to examine potential variations in family business dynamics based on gender and generation. Surprisingly, the results showed that there were no significant statistical variations between genders or generations when it came to emotional ownership, succession characteristics, and family membership. By examining the impact of family dynamics, social norms, and emotional ownership, this study contributes to the development of effective strategies for succession planning the growth and continuity of family businesses in Kuwait.

Keywords: *Family business, Entrepreneurship, SMEs, Gender Diversity, Kuwait*

1. Introduction

Family businesses have been a growing interest of many scholars in recent years in terms of what they are, how they are different from non-family firms, and their strategy for succession and survival. It has been an important factor in the business world for centuries and still is today. Family businesses can be small, medium, or large, depending on the sector, industry, and market size that the business is operating within. The existence of family businesses and non-family firms is quite different. Family businesses are more than just a normal business; they are a unique relationship between the family and their business that has many benefits. Some key benefits of owning and working in a family business include harmony and unity between family members, as well as commitment and loyalty of family members, which could lead to higher productivity in achieving organizational goals. However, with benefits come consequences, and two main consequences of owning a family business are survival and succession issues. Survival and succession are quite challenging in business fields, especially for family businesses, since most do not survive past their founding generations, particularly the third generation. To date, there is a lack of critical studies inspecting the impact of family businesses in terms of survival and succession, particularly in Kuwait. Previous studies of family businesses or related concepts have generally been limited in their scope and have not considered the exact idea of how such concepts impact the Middle East. The purpose of this paper is to conduct a pilot investigation on SME family businesses in Kuwait, to shed light on their current dynamics. The investigation will focus on the impact of emotional ownership on social and family dynamics, as well as the overall perceived outlook towards sustaining the success of a business. The paper's structure is as follows: it will discuss the research objectives, the significance of the study within a Kuwaiti context, the literature review of the main factors examined in the study, the methodology employed, the main findings, and a discussion on future research.

2. Research Objectives

The purpose of this research is to enhance our knowledge of the connection between family businesses and their effect on succession and continuity in Kuwait. The literature on this subject in Kuwait is limited, which highlights the need for further investigation. This study aims to address the lack of data on local family-owned businesses by exploring the following topics: the influence of family dynamics and social norms on family businesses, the critical variables that contribute to the sustainable development of family businesses, and the level of emotional attachment of family members to the business. Considering the lack of research reported, especially from Kuwait, our research will focus on highlighting the current dynamic of local family businesses in the first person. Therefore, the research aims to:

1. To validate the questions
2. Test the differences between gender, generation and family expectations' impact on succession.
3. To create a questionnaire that measures emotional ownership and its relationship to succession and the target audience.

To address the gap that has been identified, a pilot study was conducted to gather numerical data through a quantitative analysis investigation. The study will focus on various types of SME family-owned businesses in Kuwait. Given the nature of this research, it is essential to highlight the perspectives of individuals regarding issues that impact them in their day-to-day business operations.

3. Scientific Significance

Family-owned businesses are a critical part of the economy in Kuwait, with a number of these businesses contributing significantly to job creation and economic growth. However, the process of succession and continuity in these businesses is often complex and can pose challenges for future generations. Investigating the succession and continuity of family-owned businesses in Kuwait is therefore important for several reasons.

It is important to consider business sustainability, particularly for family-owned businesses in Kuwait. These businesses play a crucial role in the country's economic development by providing employment opportunities (A-Sultan, 2012). As they are often deeply rooted in the community, their closure or inability to continue operations can have a significant impact on the local economy. Therefore, examining the succession process and potential challenges can help identify any obstacles that may threaten the sustainability of these businesses. This will enable owners to take preventive measures to mitigate risks and ensure continuity. It is also worth noting that family-owned businesses often involve multiple generations of the same family. However, the process of succession can sometimes cause tension and conflict within the family. A study conducted by Al-Kandari (2017) found that one of the critical factors contributing to the success of family-owned businesses in Kuwait is the ability of family members to work together harmoniously. Examining the succession and continuity processes can help identify potential sources of conflict and enable business owners to develop strategies that promote family unity and continuity. Finally, investigating the process of succession and continuity can help enhance the overall performance of family-owned businesses. A study by Al-Qenae (2016) found that the survival and growth of family-owned businesses in Kuwait are highly dependent on the effectiveness of the succession process. Investigating this process can help identify areas for improvement and enable owners to develop strategies to enhance the performance of the business over time.

On this note, it is worthwhile to have a closer look into the matter and report it from a first-person point of view. A dive into the matter is of high significance as it will shed some light on the current dynamics of how family businesses are run and how they plan to ensure continuity. Thus, exploring the process of succession and continuity of family-owned businesses in Kuwait is important for promoting business sustainability, family harmony and continuity, and enhancing overall performance.

4. Literature Review

In general, family businesses are the foundation for meeting the needs of family members by having full control over key operating decisions and strategies. The transition from being an enterprise business to a family business occurs when family members, such as children, begin working as employees in the founder's firm (Poza, 2010). Due to its natural diversity, many scholars struggled to set clear terminology to define family businesses, as there is no single definition that fully explains its natural diversity. For instance, Bennedsen et al. (2015) and Chandler (2015) defined a family business as a business wherein the responsibilities of ownership and management lie within the control of family members. Carsrud (1994) defined family businesses as companies where members of the family control the ownership and/or policymaking, which lends support to the definition. Therefore, with the existence of various definitions of what constitutes a family business, all scholars agreed that a family business is a *firm whose ownership belongs to family members who own sufficient equity to occupy top management positions and exert control regarding all operational, financial, and intellectual aspects of the firm.*

4.1 Characteristics of a Family Business

Family businesses have one main feature that differentiates them from any other type of firm, which is the relationship between the family and their business. The objective of the family business is to develop family members, regardless of their skills, and provide equal opportunities between the members, as opposed to non-family firms, which focus mainly on profitability and survival. Many scholars examined various characteristics that differentiate family firms from non-family firms by considering their size, age, industry, performance, profitability, job creation, growth, strategies, and organizational outcomes (Anderson and Raab, 2003; Chrisman et al., 2004). For example, family businesses are often found in the wholesale and retail industries, while non-family firms are more commonly found in the manufacturing industries (Daily and Dollinger, 1993). Family businesses are typically smaller in size and may grow at a slower pace than non-family firms, which are often more established and independent from succession processes (Lumpkin and Sloat, 2001). Ownership in family businesses is usually concentrated within the family, while financing is typically sourced from personal funds or linked to owners (Gimeno et al., 2005; Anderson et al., 2003). Family businesses have a unique culture that heavily relies on values and beliefs, while non-family firms make decisions based on logic and organizational goals (Efferin and Hartono, 2015). In conclusion, the difference in ownership structure, financing, and culture plays a significant role in differentiating family businesses from non-family firms (Wu et al., 2007). Understanding these differences is crucial for both family business owners and scholars studying the dynamics of these types of firms.

4.2 Benefits and Challenges of a family business

To properly manage a family business, there must be an obligation to manage all important family elements. These beneficial elements include loyalty, trust, and effective monitoring that lead to the protection of family wealth. Family businesses offer a range of unique benefits, including greater stability, stronger commitment and passion to succeed, and the ability to pass down personal values to the next generation (Chua et al., 1999). One of the key benefits of family businesses is their focus on long-term financial and human capital strategies, making them more stable compared to non-family firms (Gallo et al., 2004). In addition, family members often display a strong sense of loyalty to both each other and the business, leading to increased commitment and passion to succeed. The passing down of personal values within a family business also creates a sense of pride in sustaining those values and incorporating them into day-to-day operations. Family businesses also provide career opportunities and potential rewards for family members who take on managerial and ownership roles. Succession planning is a significant benefit for family businesses, as it enables family members to take over the business and continue its legacy (Handler, 1990).

However, there are also potential challenges associated with family businesses. These include conflicting goals and values among family members, differing expectations related to employment, ownership, compensation, and training, changes in work ethics as the business is passed down through generations, and potential liabilities related to the employment of family members (Poza, 2010). The dilemmas can be an indicator of emotional ownership (EO) (or lack thereof) from family members working or expected to work in the family business. As

reported by Bjornberg and Nicholson (2005), EO has proven to be an integral element in the long-term success of a family-owned business. EO can be described as the bridge between generations, which impacts the sustainable development of a business. In other words, it is the sense of belonging to a family business (Bjornberg & Nicholson, 2005). To better understand the concept and its link to succession, EO will be further addressed below.

4.3 The role of Emotional Ownership

The role of emotions in decision-making processes is of significant importance, particularly within family businesses where personal and professional relationships are intertwined. Emotional ownership (EO), in the context of family businesses, refers to the profound emotional connection that family members have towards their business (Bjornberg & Nicholson, 2012). This connection goes beyond mere financial interest and encompasses a deep bond driven by personal identity, pride, and attachment (Bjornberg & Nicholson, 2012). Rooted in the business's history and generational involvement, EO significantly influences the operations, succession, and long-term sustainability of the business. It acts as a catalyst for commitment, creativity, and overall long-term success. Family businesses characterized by a high level of EO often possess a strong set of core values and a distinct culture, providing them with a considerable competitive advantage in the commercial landscape and attracting talented individuals (Nicholson & Bjornberg, 2008).

Scholars in the management literature have discussed related concepts including social identification, psychological ownership, affective organizational commitment, and socioemotional wealth (Ashforth & Mael, 1989; Tajfel, 1982; Pierce, Kostova & Dirks, 2001; Meyer & Allen, 1991; Gómez-Mejía et al., 2007). While there may be disagreement on the terminology used to describe emotions in family firms, in such businesses, the lines between family and the firm are often blurred (Danes & Morgan, 2004; Labaki, Michael- Tsabari & Zachary, 2013). These emotions can permeate the organization and impact how it operates (Bjornberg & Nicholson, 2007). As such, emotional ownership extends beyond mere possession and implies a sense of shared boundaries between the family business as a social entity and the individual's sense of self. It involves a self-identity that extends beyond family membership to a sense of belongingness to the family business, built upon shared meanings derived from the family business environment. Thus, by prioritizing the management of key family elements and addressing potential challenges, family businesses can continue to thrive and pass down their legacies from one generation to the next.

4.4 Succession and Continuity

Since many families own several businesses around the world, a successful transition of power from one generation to another is important for the continuity and survival of the organization (Hauck and Prügl, 2015). The term 'succession' refers to the transition of leadership, management and ownership control from one family member to another. To ensure an effective transition, researchers suggested that the key factors for a successful succession are (1) the founder's desire to keep the business, (2) family commitment and (3) selecting a trusted, well- prepared successor to run the business (Sharma et al., 2003).

The future success of family businesses lies in the degree of relationship between the founder and the rest of the family (Lee et al., 2003). The most common form of succession is still through a male member in the family, irrespective of suitability (Allen and Langowitz, 2003). The father-son relationship works quite well; however, conflict may arise when the son wants

to be independent of his father's old methods. Founders (the father) usually have a hard time letting go of the organization as they see it as an extension of themselves, hence remaining in control of operations as well as their son's choices. Therefore, dominance conflicts may occur between the father and the son. Moreover, since there is an ongoing determination to pass on the organization to a male member, females are often disregarded from taking on leadership positions within the company. Women are frequently overlooked during the succession period because they are viewed as unfit for the position and are expected to fail in 'traditional male jobs' (Ahrens et al., 2015). Such expectations create a strong impression that women are unqualified to accomplish and manage a job proficiently. Even though there are cases that acknowledge women's success in managerial positions, identifying a female member as a successor is quite low.

That said, the successful continuity of the business has been a major concern for family business leaders for many years due to the very challenging process. There is an old saying that the first generation develops the business, the second generation operates it, and the third generation usually ends it. According to Astrachan and Shanker (2003), only 33% of family businesses survive the second generation, 12% survive the third generation, and only 3% reach the fourth generation. Sameer Huda indicated that there is a very low percentage of family- owned businesses in the United Arab Emirates (UAE) that successfully transition to the second and third generations (Dubai Chamber, 2012). In fact, in the UAE, only 15% of family-owned businesses survive the third generation due to a lack of governance structure (Al Rahma, 2012). Thus, why doesn't transition or continuity always work?

There are many reasons for unsuccessful transitions. According to Pitts (2001), the main reason is poor planning and execution. Unclear plans, incompetent candidates, and family rivalries are all issues that family founders need to consider and deal with before handing over management and ownership controls. Another reason is that power and ownership are mostly centralized, where family founders want to control everything and have difficulties giving up their power (Lansberg, 1999). Not to mention, personality, passion, and desire also play a key role in the succession process. Choosing a candidate who does not have the desire to continue the family business will impact organizational performance because sometimes the chosen candidate is not motivated enough to operate it successfully due to a lack of passion. Not all family members wish to work in the family business; some family members have their dreams that they want to pursue and become independent from the family firm.

5. Methodology

A preliminary study involved 41 participants, representing diverse family businesses in Kuwait, to pilot test the validity and reliability of measurement instruments. The primary goal was to assess the instrument's accuracy and consistency through a quantitative analysis. Quantitative research adheres to a structured procedure that begins with the formation of a theoretical framework to provide guidance for the development of research inquiries. The main approach used in this research is the use of a closed-ended questionnaire to collect quantitative data. The survey instrument comprised 16 questions designed to gather information about the targeted companies. The purpose of these questions is to target and fill in any gaps in current knowledge. Afterwards, hypotheses are formulated to correspond with the study topics. Despite the limited sample size (n=41), a thorough validation process was rigorously undertaken. These questions addressed a range of topics, including the management of familial and corporate values, the ramification of patriarchal culture influences and societal norms. Various factors were considered when formulating the questionnaire items for this study. In addition, careful consideration was given to ensure that the questions were not phrased in a negative way. This is because using negative language in a question could potentially result in confusion among the participants and thus lead to inaccurate responses. The survey instrument consisted of rating inquiries. To improve the clarity of the respondents and raise the rate and quality of their responses, the study utilized a questionnaire that included a Likert-style rating scale with five points. The participants were given five choices to indicate their level of agreement or disagreement with each statement: strongly disagree, disagree, neither agree nor disagree, agree, and highly agree. The current study employs a stochastic sampling strategy, which is often used in combination with survey techniques. This methodology minimizes the impact of prejudice and enhances the probability of broader applicability, as previously explained. Stochastic sampling is a statistical sampling method that introduces unpredictability to select samples from a population. Its purpose is to guarantee that each potential sample has a recognized and typically equivalent probability of being chosen. The utilization of this method is crucial in diverse domains, including statistics, machine learning, and computer simulations, for the purpose of generating representative samples and mitigating biases. This study employed Stratified Sampling involves dividing the population into subgroups or strata depending on certain characteristics, and then taking random samples from each stratum. This guarantees the inclusion of individuals from all subcategories.

The statistical analysis in our study was performed using SPSS version 29. We first evaluated the reliability of our scales using a Cronbach's Alpha test. We selected a threshold of alpha larger than 0.6 to determine satisfactory internal consistency. Afterwards, we analyzed the Item-Rest Correlation for each individual item in the scale, with a minimum need of a correlation coefficient greater than 0.3 to ensure a significant contribution to the entire scale. The internal consistency of these subscales was checked by correlating the items with the total scores of every scale minus the score of the item concerned (item-rest correlation). Cronbach's alpha coefficients were determined (Nunnally, 1967).

After conducting these initial tests, we proceeded with a descriptive analysis, wherein we computed the average and standard deviation for each variable to ascertain their central tendency and dispersion. Ultimately, all significance testing was performed using an alpha level below 0.05, in accordance with established practices in statistical analysis. This approach aims to strike a balance between the possibility of Type I errors and the ability to identify genuine effects, thus ensuring the strength and dependability of our findings.

6. Findings and Analysis

In an effort to gather insights into family-owned businesses in Kuwait, an online survey was conducted using Bristol Online Survey (BOS). Due to the exploratory nature of this pilot study, aimed at gauging the presence of potential issues before undertaking a more extensive analysis, a total of 41 participants were collected. Given the limited number of SME family business owners in Kuwait, caution is advised when interpreting the findings of this pilot study (n=41), which was constrained by a small sample size, precluding the use of multivariate modelling. The data was cleaned and screened before quantitative analysis was performed.

6.1 Descriptive Analysis

The surveyed participants were all 100% Kuwaitis, 44% of them being male participants and 56% female participants. This is a synonym of the great balancing of the gender variable and the significance of the variable in the sampling. As shown in table 1 below, the age variable is unbalanced. Most sample respondents are between 21 and 35 years, irrespective of gender. The reason for having a somewhat young sample might be because the survey was distributed online, and the younger generations are more prone to use the internet than older generations. It is also shown in table 1, that the distribution of education is highly unbalanced; the majority of the respondents (49%) have bachelor's degrees, 15% have master's degrees, and 20% only hold a high school degree, irrespective of gender. The reason for the uneven balance is that the participants are relatively young; most of them just graduated from universities with bachelor’s degrees.

Regarding job positions, 63.41% of total respondents have full-time jobs, while 29.27% of them are not working and 7.32% of them have part-time jobs, irrespective of gender. This could be explained by the fact that most Kuwaitis, upon graduating, could immediately get employed in the public sector without having to wait, as imposed by Kuwait’s government. With regards to working experience in a family business, most of the total participants (39%) had 1–5 years of experience, 24% had 11 or more years of experience, 20% had zero years of experience, and only 17% had 6–10 years of experience. The reason for having a low number of experiences

could be explained by the number of family members working in the business and their family’s expectations. Most of the family businesses (63%) recruited between 1 and 5 family members, while 7% only recruited between 6 and 10 family members, and 10% recruited more than 10 family members. The reason for such percentages is because, for instance, before joining a family business, 22% of the members are expected to get experience elsewhere, while 27% are always encouraged to join the business, but they are expected to get their degrees first before joining. However, 37% of the participants mentioned that even when they are expected to join, it is their choice to do so, and they are not planning to join anytime soon, but they might join if they become interested in the business (laissez-faire). The rest of the participants (15%) are not expected to join, regardless of their gender, which could also explain why 20% of the participants mentioned that no family members are working in the family business.

When participants were asked to identify the generations running the business, the majority of respondents (46%) mentioned that the first generation—usually the founder—is still in charge of running the business, as shown in Figure 8 below. This could be explained by the fact that sometimes founders have a hard time letting go of the business, stepping down from their authoritative or directive roles, and passing it on to the next generation. In addition, 34% said that the second generation—children of the founder—is running the business, and 10% cited that the third generation—grandchildren of the founder—is running the business. This could be explained by the fact that sometimes, when the founder is sick, absent, or deceased, the heirs take over the business.

However, only 10% mentioned that "others" are running the business. The "others" could be anyone who is not directly linked to or related to the founder. It could be clarified that sometimes when the founder is deceased, his or her children will seek inheritances, and if no direct family member wants to continue running the business, they will sell it to a third party (others).

Table 1: Descriptive Statistics

	Overall (N=41)
Gender	
Female	23 (56.1%)
Male	18 (43.9%)
Age	
21-25	1 (2.4%)
21-35	27 (65.9%)
36-45	6 (14.6%)
46-55	4 (9.8%)
56 or more	3 (7.3%)
Education	
Bachelors	20 (48.8%)
did not complete high school	1 (2.4%)
Diploma	3 (7.3%)
Doctoral	3 (7.3%)
high school degree	8 (19.5%)
Masters	6 (14.6%)
job position	
full time	26 (63.4%)
not working	12 (29.3%)
part time	3 (7.3%)
How long have you been working/worked at a family business?	
1-5yrs	16 (39.0%)
11 or more	10 (24.4%)
6-10 yrs	7 (17.1%)
Less than one year	8 (19.5%)
Running the family business	
	Overall (N=41)
first generation	23 (56.1%)
second generation	14 (34.1%)
third generation	4 (9.8%)
# family members currently working in the business	
1-5 members	26 (63.4%)
6-10 members	3 (7.3%)
more than 10 members	4 (9.8%)
None	8 (19.5%)
What is your family's expectations of you joining the business?	
Laissez-faire	15 (36.6%)
always expected to join	11 (26.8%)
expected to get experience first	9 (22.0%)
not expected to join	6 (14.6%)

6.2 Reliability Analysis

Analyses were conducted to establish the sample averages of all variables, which are presented in the tables below. Cronbach's alpha was used to test the internal consistency of each of the item scales. Internal reliability coefficients were all > 0.5, which is common in scales with less than 10 items (Pallant, 2013). In this case, it may be more appropriate to report the inter-item correlation for items. Briggs and Cheek (1986) recommend an optimal range for the inter-item correlation of 0.2-0.4.The inter-item correlation for the items presented in the tables below ranged from 0.2-0.4 and, thus, internal consistency of the scales was satisfactory. The sections below present the coefficients of each variable.

6.2.1 Emotional ownership Reliability Analysis

Table 2 below displays the reliability statistics for emotional ownership. The overall alpha value is 0.619. The Cronbach's Alpha scores and inter-item correlation, which evaluate the internal consistency of the scale, indicate reasonable reliability for both the whole scale and when an item is excluded. EM4 is a reverse-scaled item, which means that its scoring is opposite to the other items. This strategy is used to ensure response consistency and control biases.

Table 2: Emotional Ownership Reliability Statistics

				If item dropped
	Mean	**SD**	**Item-rest correlation**	**Cronbach's α**
the Family business is an important part of who i am (EM3)	4.32	1.035	0.311	0.614
I feel detached from the family business (EM4 [a])	3.63	1.356	0.472	0.513
do family owners meet formally regularly (EM5)	2.20	0.749	0.515	0.501
are financial document shared with all owners (EM6)	1.85	0.792	0.401	0.558
[a] reverse scaled item, **Cronbach's α** = 0.619				

6.2.2 Succession Factor Reliability Analysis

Table 3 displays the reliability statistics for three items (SP7, SP8, SP9) measuring success. The mean scores reflect the average response for each item, with SP8 and SP9 exhibiting larger means compared to SP7. The standard deviation indicates that SP7 has the highest variability. The item-rest correlations provide insight into the degree of alignment between each item and the overall scale, with SP8 demonstrating the strongest alignment. The Cronbach's alpha for the whole scale is 0.716, which demonstrates satisfactory internal consistency. Nevertheless, the reliability of the scale rises to 0.818 upon the removal of SP7, indicating that SP7 may be diminishing the overall reliability of the scale. The Cronbach's alpha results indicate that the removal of SP8 or SP9 leads to a decrease in alpha, implying a positive influence on the reliability of the scale. This statistical analysis suggests that SP8 and SP9 exhibit reliability and align closely with the overall scale. However, SP7 may be less dependable, and removing it could potentially improve the scale's internal consistency.

Table 3: Succession Factor Reliability Statistics

				If item dropped
	Mean	**SD**	**Item-rest correlation**	**Cronbach's α**
Succession Planning (SP7)	3.32	0.934	0.413	0.818
Knowledge (SP8)	3.68	0.687	0.639	0.529
Reputation (SP9)	3.66	0.762	0.603	0.547

Cronbach's α = 0.716

6.2.3 Family Affiliation Reliability analysis

Table 4 presents the results of the reliability analysis conducted on the four items (SP2, SP3, SP4, SP5) designed to measure family affiliation, where SP2 and SP3 are subjected to reverse scaling. The Cronbach's alpha coefficient for the scale is 0.526, suggesting a moderate level of internal consistency. The average scores for SP2 and SP3 are the lowest, and their standard deviations are the same, indicating comparable patterns of response. Nevertheless, both SP2 and SP3 have the most minimal item-rest correlations, and eliminating either of them raises the scale's Cronbach's alpha to 0.508, suggesting that they might be adversely affecting the scale's dependability. SP4 and SP5 have stronger item-rest correlations, and eliminating either of them leads to a fall in alpha, indicating their beneficial impact on the scale's reliability.

Table 4: Family Affiliation Reliability Statistics

				If item dropped
	Mean	**SD**	**Item-rest correlation**	**Cronbach's α**
Close relative to family leaders/founders (SP2 [a])	1.46	0.636	0.252	0.508
Being a male family member (SP3 [a])	1.46	0.636	0.252	0.508
Table 4: Family Affiliation Reliability Statistics				
				If item dropped
	Mean	**SD**	**Item-rest correlation**	**Cronbach's α**
Being a female family member (SP4)	2.27	0.708	0.362	0.409
Having a higher education (SP5)	2.66	0.530	0.417	0.383
[a] reverse scaled item, **Cronbach's α** = 0.526				

6.3 Linear Analysis - ANOVA

ANOVA analysis is employed in the paper to determine whether there are statistically significant differences among genders in emotional ownership, succession, and family affiliation. This statistical approach enables the exploration of variance between genders, allowing for comprehensive insights into the relationships among variables under investigation. The statistical examination of scores from 41 participants, consisting of 23 females and 18 males, across three measures (EO, SF, FA), indicates that there are no significant gender disparities. The average scores for each gender on these measures are rather similar, with females scoring 2.6, 3.5, and 2.5, and males scoring 2.8, 3.6, and 2.5 on EO, SF, and FA, respectively. The p-values for each measure (0.2111 for EO, 0.8541 for SF, and 0.5941 for FA) are all greater than the customary threshold of 0.05, suggesting that there is no statistically significant difference in scores across genders. These findings indicate that gender does not have a substantial impact on family business dynamics in this particular sample.

Table 5: Gender Differences in Family Business Dynamics

	female (N=23)	**male (N=18)**	**Total (N=41)**	**p value**
Emotional Ownership (EO)				0.211[1]
Mean (SD)	2.6 (0.4)	2.8 (0.4)	2.7 (0.4)	
Range	2.0 - 3.5	2.0 - 4.0	2.0 - 4.0	
Succession Factors (SF)				0.854[1]
Mean (SD)	3.5 (0.6)	3.6 (0.7)	3.6 (0.6)	
Range	2.0 - 4.0	1.0 - 4.0	1.0 - 4.0	
Family Affiliation (FA)				0.594[1]
Mean (SD)	2.5 (0.3)	2.5 (0.3)	2.5 (0.3)	
Range	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	

Furthermore, to estimate the differences across generations, the examination of scores obtained from 41 participants spanning three generations (first, second, and third) on three measures (EO, SF, FA) in Table 6 indicates that there are no noteworthy disparities across the generations. The mean scores on EO and SF are slightly lower in the first generation (N=23) compared to the third generation (N=4), which has the highest mean scores in all measures. However, the p-values (0.1451 for EO, 0.4571 for SF, and 0.1481 for FA) are all above the conventional significance level of 0.05, indicating that these differences are not statistically significant. The mean scores of the second generation (N=14) often lie between those of the first and third generations. These findings indicate that there are no significant differences at the $p < 0.05$ level in emotional ownership (EO), succession (SF), and family affiliation (FA) scores for the three generations. However, the lower sample size of the third generation requires careful interpretation of the results.

Table 6: Generational Differences in Family Business Dynamics

first generation (N=23)		second generation (N=14)	third generation (N=4)	Total (N=41)	p value
Emotional Ownership (EO)					0.145[1]
Mean (SD)	2.7 (0.4)	2.6 (0.4)	3.1 (0.6)	2.7 (0.4)	
Range	2.0 - 3.5	2.0 - 3.2	2.8 - 4.0	2.0 - 4.0	
Succession Factors (SF)					0.457[1]
Mean (SD)	3.6 (0.7)	3.4 (0.6)	3.8 (0.3)	3.6 (0.6)	
Range	1.0 - 4.0	2.0 - 4.0	3.3 - 4.0	1.0 - 4.0	
Family Affiliation (FA)					0.148[1]
Mean (SD)	2.4 (0.3)	2.5 (0.3)	2.8 (0.3)	2.5 (0.3)	
Range	2.0 - 3.0	2.0 - 3.0	2.5 - 3.0	2.0 - 3.0	

A one-way between-groups analysis of variance was conducted to explore the impact of expectations on emotional ownership, succession, and family affiliation. The examination of scores from 41 participants, who were divided into four groups according to their expectations ("Laissez-faire," "always expected to join," "expected to get experience first," "not expected to join"), across three measures (EO, SF, FA), indicates that there are no notable distinctions among the groups (see Table 7). The average scores for EM, SF, and FA are somewhat comparable among the groups, with the "not expected to join" group exhibiting slightly lower scores in EO and FA. The scores exhibit minor variations, but not to a major extent. The p- values for all measures (0.1801 for EM, 0.8951 for SF, 0.2831 for FA) are significantly higher than the threshold of 0.05 for statistical significance. This indicates that, within this particular sample, the varying expectations imposed on participants did not have a substantial impact on their performance in the areas of EM, SPA, and SPB.

Table 7: Different Expectations in Family Business Dynamics

	Laissez-faire (N=15)	always expected to join (N=11)	expected to get experience first (N=9)	not expected to join (N=6)	Total (N=41)	p value
Emotional Ownership (EO)						0.180[1]
Mean (SD)	2.8 (0.4)	2.7 (0.3)	2.8 (0.6)	2.3 (0.4)	2.7 (0.4)	
Range	2.2 - 3.5	2.0 - 3.0	2.0 - 4.0	2.0 - 2.8	2.0 - 4.0	
Succession Factors (SF)						0.895[1]
Mean (SD)	3.5 (0.8)	3.6 (0.4)	3.6 (0.7)	3.4 (0.6)	3.6 (0.6)	
Range	1.0 - 4.0	2.7 - 4.0	2.0 - 4.0	2.3 - 4.0	1.0 - 4.0	
Family Affiliation (FA)						0.283[1]
Mean (SD)	2.5 (0.3)	2.5 (0.3)	2.6 (0.3)	2.3 (0.3)	2.5 (0.3)	
Range	2.0 - 3.0	2.2 - 3.0	2.0 - 3.0	2.0 - 2.8	2.0 - 3.0	

7. Discussion and Conclusion

The findings of this research provide a detailed understanding of family-owned businesses in Kuwait. The study focuses on various aspects, including demographic characteristics, generational dynamics, and organizational factors. Through descriptive analysis, key demographic trends were revealed among participants, shedding light on a balanced gender distribution and a significant representation of individuals belonging to the 21 to 35 age group. This suggests a young and vibrant workforce involved in family enterprises. Additionally, a large majority of participants possessed bachelor's degrees, indicating a relatively high level of educational attainment within the sampled population. These findings align with the broader educational advancement trends observed in Kuwait.

To ensure the reliability of the measurement instruments used in the study, a reliability analysis was performed. The analysis emphasized the internal consistency of variables such as emotional ownership, succession factors, and family affiliation. The results, measured by Cronbach's alpha coefficients, indicated satisfactory reliability for most variables. Using a linear analysis conducted through ANOVA, the study investigated potential gender and generational differences in family business dynamics. Contrary to expectations, the findings revealed no statistically significant differences across genders or generations in terms of emotional ownership, succession factors, and family affiliation. This indicates a level of homogeneity in performance and perceptions within family businesses, regardless of gender or generational distinctions. These results challenge traditional assumptions regarding the impact of demographic factors on organizational dynamics.

In conclusion, these research findings contribute to the existing literature on family-owned businesses, providing empirical insights specific to the context of Kuwait. By elucidating demographic trends, organizational dynamics, and relational factors within family enterprises, this study enhances our understanding of the complex interplay between individual characteristics and organizational outcomes in the familial business context. Moreover, these findings highlight the importance of tailored strategies and interventions addressing the evolving needs and challenges faced by family businesses in Kuwait, particularly in areas such as succession planning, organizational culture, and intergenerational transitions, including but not limited to implementing mentorship programs for smooth leadership transitions, fostering a culture of open communication and adaptability to accommodate diverse generational perspectives, and establishing formalized processes for knowledge transfer and skill development across generations.

8. Limitations and Future Research

Despite the valuable contributions of this study, several limitations warrant acknowledgment. The relatively small sample size and exploratory nature of the research limit the generalizability of findings beyond the sampled population. Thus, due to the constrained sample size in this pilot study, the application of advanced statistical tools was limited. Consequently, interpretations of the results should be approached with caution, and the generalizability of the current interpretations is limited in scope. Additionally, the reliance on self-report measures and the cross-sectional design imposes constraints on the temporal and causal interpretations of results. Future research endeavors should seek to address these limitations through longitudinal studies with larger and more diverse samples, employing mixed method approaches to provide a comprehensive understanding of family business dynamics in Kuwait as well as securing broader participation from Kuwaiti business owners to enhance the robustness of the study's outcomes. Future research might also examine the influence of nepotism on family businesses and its effect on their success. Additionally, the impact of governance laws on the promotion of family businesses in the setting of Kuwait could be explored.

9. Acknowledgment

This publication was made possible by the support of the AUK Open Access Publishing Fund.

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